

AMENDED IN SENATE MAY 17, 1999
AMENDED IN SENATE APRIL 20, 1999
AMENDED IN SENATE APRIL 6, 1999

SENATE BILL

No. 932

**Introduced by Senator Bowen
(Coauthor: Senator Solis)**

February 25, 1999

An act to add ~~Sections 2889.7 and 2896.5~~ *Section 2889.7* to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as amended, Bowen. Telecommunications: service: notice.

Under existing law, the Public Utilities Commission has regulatory authority with respect to telephone corporations. Existing law requires telephone corporations to provide specified customer and subscriber services, including information regarding the provider's identity, service options, pricing, and terms and conditions of service. Existing law requires the commission to impose that service information requirement on all telecommunications providers in the state. Under existing law, the commission may only permit a subscriber's local telephone service to be disconnected for nonpayment of charges relating to specified telephone services.

This bill would require a telephone corporation that provides a new telephone service or feature to subscribers to ~~immediately notify~~ *mail a specified written notice to each*

subscriber ~~in writing~~ of that new service or feature, *within 2 business days of service activation. The bill would require the commission, prior to the offer by a telephone corporation of a new nonsubscription service or feature, to determine, and require the telephone corporation to provide, adequate notice to consumers.* The bill would authorize a subscriber, within 5 10 days from the date that the subscriber ~~receives~~ is mailed such a notice, to request the telephone corporation to suspend the provision of any telephone service or feature described in that notice, and would require the telephone corporation, upon receipt of such a request, to suspend the provision of the specified telephone service or feature. The bill would prohibit a telephone corporation from imposing any charge for the suspension of a telephone service or feature *or for a telephone service or feature that a subscriber does not use and has rescinded.* ~~The bill would also prohibit a telephone corporation from imposing any charge for any telephone service or feature that a subscriber does not use.~~ The bill, *except as specified,* would require a telephone corporation to reimburse a subscriber for any charge imposed by that corporation for the inadvertent ~~or unauthorized~~ use of a telephone service or feature.

The bill would require ~~a telecommunications service provider to provide a potential subscriber with clear information about a telecommunications service offered, prior to purchase, including, but not limited to, information about prices, service options, and the terms and conditions of service.~~ The bill would require an advertisement for a telecommunications service *that includes specified references* to disclose ~~price~~ *information on charges,* as prescribed. The bill would require a telecommunications service provider that provides local telephone service to provide that subscriber with *a printed alphabetical telephone directories, as prescribed directory.* The bill would prohibit a telecommunications service provider from requiring a subscriber to deposit a sum of money with the telecommunications service provider prior to establishing an account and furnishing service that exceeds a specified amount, or from disconnecting the local telephone service of a subscriber for nonpayment of *disputed* charges imposed by

a third party. The bill would authorize a telecommunications service provider to require the social security number of a subscriber to establish creditworthiness only if the provider determines that no other reasonable means is available.

This bill would require the commission to create a means by which a telecommunications service subscriber may compare prices among telecommunications service providers.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2889.7 is added to the Public
2 Utilities Code, to read:
3 2889.7. (a) A telephone corporation that provides a
4 ~~new telephone service or feature to subscribers shall~~
5 ~~immediately notify each subscriber in writing of that new~~
6 ~~service or feature.~~
7 (b) ~~A subscriber, within five days from the date that~~
8 ~~the subscriber receives a notice required pursuant to~~
9 ~~subdivision (a), may request the telephone corporation~~
10 ~~to suspend the provision of any telephone service or~~
11 ~~feature described in that notice. The telephone~~
12 ~~corporation, upon receipt of that request, shall suspend~~
13 ~~the provision of any telephone service or feature~~
14 ~~specified in the request. A telephone corporation may not~~
15 ~~impose any charge for the suspension of a telephone~~
16 ~~service or feature pursuant to this subdivision.~~
17 (c) ~~A telephone corporation may not impose any~~
18 ~~charge for a telephone service or feature that a subscriber~~
19 ~~does not use. new telephone service or feature shall mail~~
20 ~~to each subscriber of that service or feature within two~~
21 ~~business days of service activation a written notice~~
22 ~~describing the price, terms, and conditions of the service~~
23 ~~or feature.~~
24 (b) *The commission, prior to the offer by a telephone*
25 *corporation of a new nonsubscription service or feature,*
26 *shall determine, and shall require the telephone*
27 *corporation to provide, adequate notice to consumers.*

(c) (1) Except as specified in paragraph (2), a subscriber, within 10 days from the date that the subscriber is mailed the notice required pursuant to subdivision (a), may request the telephone corporation to suspend the provision of any telephone service or feature described in that notice. The telephone corporation, upon receipt of that request, shall suspend the provision of any telephone service or feature specified in the request. A telephone corporation may not impose any charge for the suspension of a telephone service or feature, or for a telephone service or feature that a subscriber does not use and has rescinded, pursuant to this section.

(2) This subdivision does not apply in either of the following circumstances:

(A) If a subscriber orders a change in service provider, or a change in service that requires a telephone corporation employee to perform work at the premises of the subscriber.

(B) If there is a contract between a telephone corporation and the subscriber.

(d) ~~A~~(1) Except as specified in paragraph (2), a telephone corporation shall reimburse a subscriber for any charge imposed by that corporation for the inadvertent ~~or unauthorized~~ use of a telephone service or feature.

(2) A subscriber shall be entitled to one bill adjustment, upon request, for the inadvertent or unauthorized use of a pay-per-use service or feature. If the subscriber does not order the telephone corporation to suspend the provision of the subject telephone service or feature at the time of a requested bill adjustment, the telephone corporation is not obligated to adjust the bill of the subscriber for any inadvertent or unauthorized use thereafter of the telephone service or feature.

~~SEC. 2. Section 2896.5 is added to the Public Utilities Code, to read:~~

~~2896.5. (a) A telecommunications service provider shall provide a potential subscriber with clear information about a telecommunications service offered;~~

1 ~~prior to purchase, including, but not limited to,~~
2 ~~information about prices, service options, and the terms~~
3 ~~and conditions of service.~~

4 ~~(b)–~~

5 (e) The commission shall create a means by which a
6 telecommunications service subscriber may compare
7 prices among telecommunications service providers.

8 ~~(c) An advertisement for a telecommunications~~
9 ~~service that refers to the price of a service shall disclose~~
10 ~~complete pricing information for that service.~~

11 ~~(d)–~~

12 (f) *An advertisement for a telecommunications*
13 *service that refers to per-minute rates, free services, or*
14 *services provided at no charge, shall disclose all*
15 *underlying charges and restrictions, if any, that will apply*
16 *if a customer uses that service. For the purpose of this*
17 *subdivision, the term ‘underlying charges’ does not*
18 *include any tax or surcharge mandated by local, state, or*
19 *federal law.*

20 (g) A telecommunications service provider that
21 provides local telephone service to a subscriber shall
22 provide that subscriber with a printed alphabetical
23 telephone directory ~~and a classified telephone directory.~~
24 At the request of the subscriber, the telecommunications
25 service provider shall provide without charge an
26 alphabetical telephone directory for communities
27 neighboring that of the subscriber.

28 ~~(e)–~~

29 (h) A telecommunications service provider may not
30 require a subscriber to deposit a sum of money with the
31 telecommunications service provider prior to
32 establishing an account and furnishing service that
33 exceeds an amount equal to an average of two months’
34 telephone service bills. If a subscriber elects to block
35 access to toll service, the calculation of such a deposit shall
36 reflect an average based on that exclusion of toll service
37 costs.

38 ~~(f)–~~

39 (i) A telecommunications service provider may not
40 disconnect the local telephone service of a subscriber for

1 nonpayment *disputed* of charges imposed by a third
2 party.

3 ~~(g)~~

4 (j) A telecommunications service provider may
5 require the social security number of a subscriber to
6 establish creditworthiness only if the provider
7 determines that no other reasonable means of
8 establishing creditworthiness is available.

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